

Introduced by Senator Alpert

May 17, 1999

Senate Joint Resolution No. 16—Relative to the Postal Rate Commission.

LEGISLATIVE COUNSEL'S DIGEST

SJR 16, as introduced, Alpert. Postal Rate Commission.

This measure would memorialize the United States Congress to introduce and pass legislation to strengthen the oversight power and the authority of the Postal Rate Commission

Fiscal committee: no.

1 WHEREAS, The United States Postal Service holds a
2 monopoly on first-class mail and certain bulk mail
3 services, and has generated an annual \$1 billion surplus
4 over the last six years, amounting to its current \$6 billion
5 surplus; and

6 WHEREAS, The United States Postal Service's \$6
7 billion surplus is in violation of its charter to operate on
8 a break even basis; and

9 WHEREAS, The United States Postal Service has in
10 recent years expanded its activities beyond its core
11 mission of universal mail service to include many
12 nonpostal related business products and services, such as
13 consumer goods, telephone calling cards, and cellular
14 towers, in direct competition with California's private
15 sector enterprises; and

1 WHEREAS, The United States Postal Service has used
2 surplus revenues from universal mail delivery (first-class
3 postage) to expand into these competitive and nonpostal
4 activities, with no evidence that these activities benefit
5 the citizens of California by improving regular mail
6 service; and

7 WHEREAS, The United States Postal Service, an
8 agency of the federal government, enjoys monopoly
9 advantages in the marketplace over private sector
10 enterprises, with its ability to maintain lower prices for
11 competitive products (due to the multimillion dollar
12 surpluses generated from first-class postage), and its
13 ability to set the rates of private sector competitors; and

14 WHEREAS, The United States Postal Service, an
15 agency of the federal government, enjoys many
16 marketplace advantages not available to private sector
17 enterprises, including exemption from state and local
18 taxes, parking fees, local zoning ordinances, vehicle use
19 taxes, vehicle licensing fees, and other local government
20 regulations, and these advantages deprive California
21 state and local governments of needed revenue and fees
22 to offset the effect of the United States Postal Service
23 operations on highways, law enforcement, and air quality;
24 and

25 WHEREAS, The Postal Rate Commission does not have
26 binding authority over the actions or activities of the
27 United States Postal Service related to setting postal rates,
28 entering new business sectors, or using surplus revenues
29 from first-class mail to compete with the private sector;
30 now, therefore, be it

31 *Resolved by the Senate and the Assembly of the State*
32 *of California, jointly,* That the Legislature hereby calls
33 on the United States Congress, particularly the Members
34 from the California Congressional Delegation, to
35 introduce and pass legislation in the 106th Congress to
36 strengthen the oversight power and the authority of the
37 Postal Rate Commission, to include all of the following:

38 (1) Subpoena power to examine all records and
39 financial data of the Postal Service in order to make



1 informed decisions on postal rate increases, pricing
2 actions, and product offerings.

3 (2) Jurisdiction and final approval authority on all
4 domestic and international postal rate adjustments.

5 (3) Authority over all competitive and nonpostal
6 business endeavors, including all products and services
7 outside the scope of universal mail service; and be it
8 further

9 *Resolved*, That the Secretary of the Senate transmit
10 copies of this resolution to the President and Vice
11 President, to the Speaker of the House of
12 Representatives, the majority leader of the Senate, and
13 each Senator and Representative from California in the
14 Congress of the United States.

